

SENATE BILL No. 369

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-12-76.

Synopsis: Tuition controls. Mandates procedures to be followed by public universities and colleges when establishing tuition and mandatory fee rates. Requires institutions to establish tuition schedules for the two year period that follows the enactment of a state biennial budget. Limits the percentage that tuition may be increased in any year. Permits an institution to request a higher tuition increase from the commission for higher education.

Effective: Upon passage.

Kenley

January 11, 2005, read first time and referred to Committee on Education and Career Development.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 369

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-12-76 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]:

4 **Chapter 76. Tuition Controls**

5 **Sec. 1.** As used in this chapter, "base year tuition" refers to the
6 tuition charged at a state educational institution with respect to the
7 academic year during which the general assembly enacts a state
8 biennial budget.

9 **Sec. 2.** As used in this chapter, "commission" refers to the
10 commission for higher education established by IC 20-12-0.5-2.

11 **Sec. 3.** As used in this chapter, "income growth rate" means the
12 average annual growth in Indiana nonfarm income over the
13 previous three (3) calendar years.

14 **Sec. 4.** As used in this chapter, "state educational institution"
15 has the meaning set forth in IC 20-12-0.5-1.

16 **Sec. 5.** As used in this chapter, "tuition" includes tuition and
17 mandatory fees.

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1 **Sec. 6.** Notwithstanding any law, this chapter governs the tuition
2 charged at a state educational institution for Indiana residents.

3 **Sec. 7.** The board of trustees of a state educational institution
4 shall comply with the following procedures and limitations when
5 establishing tuition rates:

6 (1) Tuition rates must be established for two (2) academic
7 years, and must apply to the first two (2) academic years that
8 begin after the general assembly enacts a biennial budget.

9 (2) Notice of the state educational institution's proposed
10 tuition rates and the state educational institution's proposed
11 budget for the following two (2) years must be published in
12 the campus newspaper not later than June 1 of each
13 odd-numbered year.

14 (3) The board of trustees shall conduct an on-campus public
15 hearing to receive public testimony concerning the proposed
16 tuition rates. The public hearing must be held not later than
17 June 15 of each odd-numbered year. Notice of the hearing
18 must be published in the campus newspaper and shall be sent
19 to all employees and students of the state educational
20 institution using campus electronic mail.

21 (4) Final approval of tuition rates must be made by the board
22 of trustees not later than July 15 of each odd-numbered year.

23 **Sec. 8.** If a state educational institution does not have a campus
24 newspaper, the notices required under this chapter may be
25 published in the local newspaper having the greatest circulation in
26 the city where the state educational institution is located.

27 **Sec. 9.** The commission shall:

28 (1) calculate the income growth rate; and
29 (2) certify to each state educational institution by April 15 of
30 each odd-numbered year:

31 (A) the income growth rate; and

32 (B) the maximum annual tuition percentage increase
33 permitted for the following two (2) academic years.

34 **Sec. 10. (a)** This section applies to the tuition charged by a state
35 educational institution for the first academic year that begins after
36 the enactment of a state biennial budget.

37 (b) The maximum percentage that the tuition charged by a state
38 educational institution may be increased over its base year tuition
39 equals the income growth rate certified by the commission under
40 section 9 of this chapter, plus one percent (1%).

41 **Sec. 11. (a)** This section applies to the tuition charged by a state
42 educational institution for the second academic year that begins

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after the enactment of a state biennial budget.

(b) The maximum percentage that the tuition charged by a state educational institution may be increased over the tuition charged during the first academic year that follows the enactment of a state biennial budget equals the maximum percentage increase determined under section 10 of this chapter, plus one percent (1%).

Sec. 12. (a) This section applies notwithstanding sections 10 and 11 of this chapter. The commission may increase the maximum percentage tuition increase with respect to a state educational institution in any amount.

(b) A state educational institution may file a request to increase tuition in excess of the maximums established under sections 10 and 11 of this chapter with the commission at any time.

(c) The commission shall consider a request filed under this section at its next meeting following receipt of the request. The commission's determination granting or denying the proposed higher tuition increase is final and is not subject to negotiation with the state educational institution.

(d) If the commission approves an increase in tuition under this section, the state educational institution must agree to increase the institution's financial aid for those students who receive tuition support from the state student assistance commission established under IC 20-12-21. The amount of additional institutional funds that are to be used as increased financial aid under this subsection shall be fixed by the commission.

Sec. 13. The commission may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 2. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, the terms "commission", "income growth rate", and "state educational institution" have the same meaning as those terms have under IC 20-12-76, as added by this act.

(b) Notwithstanding IC 20-12-76-9(2), as added by this act, the commission shall before June 1, 2005, notify each state educational institution of the income growth rate and the maximum annual tuition percentage increase permitted with respect to the two (2) academic years that begin after the effective date of this SECTION.

SECTION 3. An emergency is declared for this act.

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